



**Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City**

INDEPENDENT AUDITOR'S REPORT

DR. EDITHA C. MOSQUERA
Chairperson, Board of Directors
Liangá Water District
Liangá, Surigáo del Sur

Qualified Opinion

We have audited the accompanying financial statements of the Liangá Water District, which comprise the statement of financial position as at December 31, 2018, and the statement of financial performance, statement of changes in net assets/equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matters described in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of the Liangá Water District as at December 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with the Philippine Financial Reporting Standards.

Bases for Qualified Opinion

- i. The accuracy of the reported year-end balance of the Cash in Bank account of ₱2,334,201.23 is not certain due to: 1) the adjusted bank balances per Bank Reconciliation Statements (BRS) for CY 2014 to 2017 did not reconcile with the balances presented in the Financial Statement (FS); 2) no BRS for the months of July to December 2018 were prepared; 3) no subsidiary ledgers to support the account balances in the FS; and 4) presence of negative account balance of ₱50,918.05, contrary to Section 74 of Presidential Decree No. 1445 and COA Circular 92-125A dated March 4, 1992.
- ii. The reported balance of the Accounts Receivable totaling ₱4,047,875.65 could not be relied upon due to: 1) the variance of ₱1,049,500.21 between records of the Accounting and Commercial Sections; 2) General Ledger is not supported with Subsidiary Ledgers; and 3) non-recognition of Impairment Loss.
- iii. The accuracy and reliability of the loans payable to Local Water Utilities Administration (LWUA) totaling ₱47,829,774.92 cannot be ascertained due to:

1) non-presentation of the current portion of the loans payable; 2) erroneous/improper account used in recording of the loans; and 3) the unreconciled variance of ₱3,885,503.77 between the balances per book and the result of confirmation with LWUA.

We conducted our audit in accordance with International Standards of Supreme Audit Institutions. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Key Audit Matters

Except for the matters described in the *Bases for Qualified Opinion* section, we have determined that there are no other key audit matters to communicate in our report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Philippine Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the District's financial reporting process.

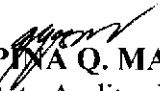
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level

of assurance, but is not guarantee that an audit conducted in accordance with International Standards of Supreme Audit Institutions will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

COMMISSION ON AUDIT

By:


AGRIPINA Q. MAGNO
State Auditor IV
OIC-Supervising Auditor

February 28, 2019

COA Regional Office No. XIII
Butuan City



Republic of the Philippines

Lianga Water District

CABLE ADDRESS

"LIWAD"

Annex-A Market Mall, Lianga, Surigao del Sur, Code - 8307

TIN 000-556-812 Tel. No. (086) 616-0020 Email: liwadi@surigao.gov.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of the Lianga Water District is responsible for the preparation of the financial statements as at December 31, 2018, including the additional components attached thereto in accordance with the prescribed financial reporting framework indicated therein. The responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material statement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements before such statements are issued to the regulators, creditors and other users.

EDITHA C. MOSQUERA

Chairperson

FEBRUARY 8, 2019

Date Signed

JULIUS CHRISTIAN G. CALANGIAN

Accounting Processor A

February 8, 2019

Date Signed

WILFREDO G. SANCHEZ

General Manager D

FEBRUARY 8, 2019

Date Signed

**LIANGA WATER DISTRICT
CONDENSED STATEMENT OF FINANCIAL POSITION
ALL FUNDS
AS AT DECEMBER 31 ,2018**

	Note	CY 2018	CY 2017
Current Assets			
Cash and Cash Equivalents	6	2,521,807.36	2,218,778.29
Receivables	7	4,195,274.93	3,774,221.20
Inventories	8	1,387,261.57	863,616.36
Prepayments	9	<u>9,045.00</u>	<u>6,100.00</u>
Total Current Assets		<u>8,113,388.86</u>	<u>6,862,715.85</u>
Non-Current Assets			
Property, Plant and Equipment	10	<u>26,713,826.04</u>	<u>31,151,561.93</u>
Total Property, Plant and Equipment		<u>26,713,826.04</u>	<u>31,151,561.93</u>
Total Non-Current Assets		<u>26,713,826.04</u>	<u>31,151,561.93</u>
Total Assets		<u>34,827,214.90</u>	<u>38,014,277.78</u>
Current Liabilities			
Financial Liabilities	11	29,683.78	4,098,912.30
Inter-Agency Payables	12	791,103.29	594,991.21
Trust Liabilities	13	117,408.00	117,408.00
Other Payables	15	<u>493,691.38</u>	<u>493,691.38</u>
Total Current Liabilities		<u>1,431,886.45</u>	<u>5,305,002.89</u>
Non-Current Liabilities			
Financial Liabilities	11	47,912,856.10	32,278,095.72
Deferred Credits	14	<u>2,081,538.67</u>	<u>3,122,308.00</u>
Total Non-Current Liabilities		<u>49,994,394.77</u>	<u>35,400,403.72</u>
Total Liabilities		<u>51,426,281.22</u>	<u>40,705,406.61</u>
Equity			
Government Equity		4,444,095.55	4,444,095.55
Retained Earnings		<u>(21,043,161.87)</u>	<u>(7,135,224.38)</u>
Total Equity		<u>(16,599,066.32)</u>	<u>(2,691,128.83)</u>
Total Liabilities & Equity		<u>34,827,214.90</u>	<u>38,014,277.78</u>

The notes on pages 9 to 32 form part of these statements.

**LIANGA WATER DISTRICT
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Note</u>	<u>CY 2018</u>	<u>CY 2017</u>
INCOME			
Service and Business Income	16	20,440,482.33	17,651,170.99
Grants	17	1,040,769.33	-
Other Non-Operating Income	18	150,041.40	109,650.87
Total Income		<u>21,631,293.06</u>	<u>17,760,821.86</u>
Less: EXPENSES			
Personnel Services	19	8,351,389.55	6,828,315.88
Maintenance and Other Operating Expenses	20	6,246,496.35	5,456,223.67
Financial Expenses	21	1,260.76	675,302.06
Non-cash Expenses	22	2,641,347.36	2,257,037.24
Total Expenses		<u>17,240,494.02</u>	<u>15,216,878.85</u>
Net Income (Loss) before Income Tax		4,390,799.04	2,543,943.01
Income Tax Expense/(Benefit)		-	-
Net Income (Loss) After Income Tax		4,390,799.04	2,543,943.01
Net Assistance/Subsidy/(Financial Assistance/Subsidy/Contribution)		-	-
Net Income/(Loss)		4,390,799.04	2,543,943.01
Other Comprehensive Income/(Loss) for the Period		-	-
Comprehensive Income/(Loss)		<u>4,390,799.04</u>	<u>2,543,943.01</u>

The notes on pages 9 to 32 form part of these statements.

**LIANGA WATER DISTRICT
CONDENSED STATEMENT OF CASH FLOWS
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>CY 2018</u>	<u>CY 2017</u>
Cash Flows from Operating Activities		
Cash Flows:		
Collection of Income/Revenue	1,004,899.03	991,497.61
Collection of Receivables	19,651,869.63	17,144,440.77
Other Receipts	144,688.39	3,273,084.64
Total Cash Inflows	<u>20,801,457.05</u>	<u>21,409,023.02</u>
Cash Outflows:		
Payment of Operating Expenses	9,800,961.86	7,380,457.16
Payment of Inventories	1,444,323.89	1,671,147.65
Grant of Cash Advances	737,190.65	940,828.29
Payment of Accounts Payable	727,870.79	1,010,782.85
Remittance of Personnel Benefit Contributions and Mandatory Deductions	3,118,539.41	3,144,599.52
Other Disbursements	642,118.36	3,713,388.62
Total Cash Outflows	<u>16,471,004.96</u>	<u>17,861,204.09</u>
Net Cash Provided by Operating Activities	<u>4,330,452.09</u>	<u>3,547,818.93</u>
 Cash Flows from Investing Activities		
Cash Inflows:	-	-
Cash Outflows:		
Purchase/Construction of Property, Plant and Equipment	393,415.02	281,218.39
Total Cash Outflows	<u>393,415.02</u>	<u>281,218.39</u>
Net Cash Used in Investing Activities	<u>(393,415.02)</u>	<u>(281,218.39)</u>
 Cash Flows from Financing Activities		
Cash Inflows:	-	-
Cash Outflows:		
Payment of Long-term Liabilities	3,634,008.00	3,197,004.00
Total Cash Provided (used) by Financing Activities	<u>3,634,008.00</u>	<u>3,197,004.00</u>
Net Cash Used in Financing Activities	<u>(3,634,008.00)</u>	<u>(3,197,004.00)</u>
 Increase in Cash and Cash Equivalents	303,029.07	69,596.54
Cash and Cash Equivalents, January 1	<u>2,218,778.29</u>	<u>2,149,181.75</u>
 Cash and Cash Equivalents, December 31	<u>2,521,807.36</u>	<u>2,218,778.29</u>

The notes on pages 9 to 32 form part of these statements.

**LIANGA WATER DISTRICT
STATEMENT OF CHANGES IN EQUITY
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Note	Government Equity	Retained Earnings	Total
BALANCE AT JANUARY, 2017		<u>4,444,095.55</u>	<u>(9,645,550.90)</u>	<u>(5,201,455.35)</u>
ADJUSTMENTS:				
Add/(Deduct):				
Changes in Accounting Policy		-	-	-
RESTATE BALANCE AT JANUARY 1, 2017		<u>4,444,095.55</u>	<u>(9,645,550.90)</u>	<u>(5,201,455.35)</u>
CHANGES IN EQUITY FOR 2017				
Add/(Deduct):				
Comprehensive Income for the year		-	2,543,943.01	2,543,943.01
Prior Periods Errors		-	49,982.68	49,982.68
Other Adjustments		-	16,366.19	16,366.19
BALANCE AT DECEMBER 31, 2017		<u>4,444,095.55</u>	<u>(7,135,224.38)</u>	<u>(2,691,128.83)</u>
CHANGES IN EQUITY FOR 2018				
Add/(Deduct):				
Comprehensive Income for the year		-	4,390,799.04	4,390,799.04
Prior Period Errors	5	-	75,953.06	75,953.06
Other Adjustments	5	-	(18,374,689.59)	(18,374,689.59)
BALANCE AT DECEMBER 31, 2018		<u>4,444,095.55</u>	<u>(21,043,161.87)</u>	<u>(16,599,066.32)</u>

The notes on pages 9 to 32 form part of these statements.

**LIANGA WATER DISTRICT
NOTES TO FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. GENERAL INFORMATION/ENTITY PROFILE

The financial statement of Lianga Water District was authorized for issue on February 8, 2019 as shown in the Statement of Management Responsibility for Financial Statements signed by Dr. Editha C. Mosquera, the Chairman of the Board of Directors.

Lianga Water District is a Government-Owned and Controlled Corporation established by virtue of Municipal Council Resolution on July 1979. It was subsequently issued a Conditional Certificate on Conformance No. 104 by the Local Water Utilities Administration on December 4, 1979. Upon its formation, the District acquired the ownership and management of the two water systems in accordance with Presidential Decree No. 198, as amended.

The mandates/functions of the District are to (a) acquire, install, improve, maintain and operate water supply and distribution systems for domestic, industrial, municipal and agricultural uses for residents and lands within the boundaries of such districts, (b) provide, maintain, and operate wastewater collection, treatment and disposal facilities, and (c) conduct such other functions and operations incidental to water resource development, utilization and disposal within such districts, as are necessary or incidental to said purpose. The Entity's registered office is located in Annex A, Market Mall, Lianga, Surigao del Sur.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS) prescribed by the Commission on Audit through COA Circular No. 2015-010 dated December 1, 2015.

The accounting policies have been consistently applied throughout the year presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flows is prepared using the direct method.

The financial statements are presented in peso (₱), which is also the country's functional currency.

The preparation of financial statements in compliance with the adopted PFRS requires the use of certain accounting estimates. It also requires the entity to exercise judgment in applying the entity's accounting policies. The areas where significant

judgments and estimates have been made in preparing the financial statements and their effects are disclosed in note.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Basis of accounting*

The financial statements are prepared on an accrual basis in accordance with the PFRS.

3.2 *Financial Instruments*

a. Financial assets

i. Initial recognition and measurement

Financial assets within the scope of PAS 39 - *Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. Lianga Water District determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that Lianga Water District commits to purchase or sell the asset.

Lianga Water District's financial assets include: cash and cash equivalents; trade and other trade receivables; and loans and other loans receivables.

ii. Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

1. Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus or deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through surplus or deficit are carried in the Statement of Financial Position at fair value with changes in fair value recognized in surplus or deficit.

2. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

b. Financial liabilities

i. Initial recognition and measurement

Financial liabilities within the scope of PAS 39 are classified as financial liabilities at fair value through surplus or deficit, or loans and borrowings, as appropriate. The entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in case of loans and borrowings, plus directly attributable transaction costs.

Liang Water District's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification.

1. Financial liabilities at fair value through surplus or deficit

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through surplus or deficit.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PAS 39.

Gains or losses on liabilities held for trading are recognized in surplus or deficit.

2. Loans and Borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the effective interest rate.

iii. Derecognition

A financial liability is derecognized when the obligation under the liability expires or is discharged or cancelled.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

d. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

3.3 *Cash and Cash Equivalents*

Cash and cash equivalents comprise cash on hand and cash in bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.4 *Inventories*

Inventory is measured at cost upon initial recognition. To the extent that inventories are received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- a. Raw materials: purchase cost using the weighted average cost method
- b. Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations Lianga Water District.

3.5 *Property, Plant and Equipment*

a. Recognition

An item is recognized as property, plant, and equipment (PPE) if it meets the characteristics and recognition criteria as a PPE.

The characteristics of PPE are as follows:

- i. Tangible items;
- ii. Are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes; and
- iii. Are expected to be used during more than one operating period.

An item of PPE is recognized as an asset if:

- i. It is probable that future economic benefits or service potential associated with the item will flow to the entity;
- ii. The cost or fair value of the item can be measured reliably; and
- iii. The cost is at least ₱15,000.00.

b. Measurement at recognition

An item recognized as property, plant and equipment is measured at cost. A PPE acquired through non-exchange transaction is measured at fair value as at the date of acquisition.

The cost of the PPE is the cash price equivalent or, for PPE acquired through non-exchange transaction, its cost is its fair value as at recognition date.

Cost includes the following:

- i. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- ii. Expenditure that is directly attributable to the acquisition of the items; and
- iii. Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

c. Measurement after recognition

After recognition, all PPE are stated at cost less accumulated depreciation and impairment losses.

When significant parts of PPE are required to be replaced at intervals, Lianga Water District recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as expense in surplus or deficit as incurred.

d. Depreciation

Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as expense unless it is included in the cost of another asset.

i. Initial recognition of depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15th of the month. However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month.

ii. Depreciation method

The straight line method of depreciation is adopted unless another method is more appropriate for entity operation.

iii. Estimated useful life

Lianga Water District uses the life span of PPE prescribed by COA in determining the specific useful life for each asset based on its experience.

iv. Residual value

Lianga Water District uses a residual value equivalent to at least five percent (5%) of the cost of the PPE.

e. Impairment

An asset's carrying amount is written down to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

f. Derecognition

Liang Water District derecognizes items of PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

3.6 Provisions, Contingent Liabilities and Contingent Assets

a. Provisions

Provisions are recognized when the District has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the District expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Provisions are reviewed at each reporting date, and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provisions are reversed.

b. Contingent liabilities

The District does not recognize a contingent liability, but discloses details of any contingencies in the notes to financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

c. Contingent assets

The District does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the District in the notes to financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

3.7 Changes in Accounting Policies and Estimates

Liang Water District recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The District recognizes the effects of changes in accounting estimates prospectively through surplus or deficit.

The District corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

- a. Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- b. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

3.8 Revenue from Non-Exchange Transactions

a. Recognition and measurement of assets from non-exchange transactions

An inflow of resources from a non-exchange transaction, other than services in-kind, that meets the definition of an asset are recognized as an asset if the following criteria are met:

- i. It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
- ii. The fair value of the asset can be measured reliably.

An asset acquired through a non-exchange transaction is initially measured at its fair value as at the date of acquisition.

b. Recognition of revenue from non-exchange transactions

An inflow of resources from non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

As the District satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it reduces the carrying amount of the liability recognized and recognizes an amount of revenue equal to that reduction.

c. Measurement of revenue from non-exchange transactions

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognized by the entity, unless corresponding liability is recognized.

d. Measurement of liabilities on initial recognition from non-exchange transactions

The amount recognized as liability in non-exchange transaction is the best estimate of the amount required to settle the present obligation at the reporting date.

e. Taxes

Taxes and related fines and penalties are recognized when collected or when these are measurable and legally collectible. The related refunds, including those that are measurable and legally collectible, are deducted from the recognized tax revenue

f. Fees and fines not related to taxes

Lianga Water District recognizes revenue from fees and fines, except those related to taxes, when earned and the asset recognition criteria are met. Deferred income is recognized instead of revenue if there is a related condition attached that would give rise to a liability to repay the amount.

Other non-exchange revenue is recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

g. Gifts and donations

Liang Water District recognizes assets and revenue from gifts and donations when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind are recognized as assets when the goods are received, or there is a binding arrangement to receive the goods. If the goods in-kind are received without conditions attached, revenue is recognized immediately. If conditions are attached, a liability is recognized, which is reduced and revenue recognized as the conditions are satisfied.

On initial recognition, gifts and donations including goods in-kind are measured at their fair value as at the date of acquisition, which are ascertained by reference to an active market, or by appraisal. An appraisal of the value of an asset is normally undertaken by a member of the valuation profession who holds a recognized and relevant professional qualification. For many assets, the fair values are ascertained by reference to quoted prices in an active and liquid market.

h. Transfers

Liang Water District recognizes an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset, except those arising from services in-kind.

i. Services in-kind

Services in-kind are not recognized as asset and revenue considering the complexity of the determination of and recognition of asset and revenue and the eventual recognition of expenses.

j. Transfers from other government entities

Revenue from non-exchange transactions with other government entities and the related assets are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to Liang Water District and can be measured reliably.

3.9 Revenue from Exchange Transactions

a. Measurement of revenue

Revenue is measured at the fair value of the consideration received or receivable.

b. Rendering of services

Lianga Water District recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

c. Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to Lianga Water District.

d. Interest Income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

3.10 Budget Information

The annual budget is prepared on a cash basis and is published in the government website.

The annual budget figures included in the financial statements are for the controlling entity Lianga Water District. These budget figures are those approved by the governing body both at the beginning and during the year following a period of consultation with the public.

3.11 *Related Parties*

Lianga Water District regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the District, or vice versa.

Members of key management are regarded as related parties and comprise the members of the Planning and Management Committee of Lianga Water District.

3.12 *Borrowing Costs*

For loans borrowed directly by Lianga Water District, the allowed alternative treatment is used.

3.13 *Employee Benefits*

The employees of Lianga Water District are member of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage.

Lianga Water District recognizes the undiscounted amount of short term employee benefits, like salaries, wages, bonuses, allowance, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

3.14 *Measurement Uncertainty*

The preparation of financial statements in conformity with PFRS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenue and expenses during the period. Items requiring the use of significant estimates includes estimated useful life of capital asset, estimated employee benefits, rates of amortization, and impairment of assets.

4. CHANGES IN ACCOUNTING POLICIES

4.1 *Adoption of PAS No. 16 Property, Plant and Equipment*

On December 28, 2018, Lianga Water District adopted PAS No. 16 Property, Plant and Equipment. The new standard includes the requirement for recognition, measurement, presentation and disclosure of Property, Plant and Equipment specially for resolving its issues on the depreciation charges and impairment losses in relation to the assets and is effective for years beginning on or after December 28, 2018. This accounting changes has significant impact on Lianga Water District's financial statements.

5. PRIOR PERIOD ADJUSTMENTS

5.1 *Prior Period Errors*

Description	Amount
Reclassification due to erroneous posting	(5,678.57)
Overstatement of an adjusting entry	(0.16)
Auditing fees payable for CY 2017	81,091.35
Unrecorded interest income for LBP account (0971-0789-52) for November to December 2017	540.44
Total	75,953.06

5.2 *Other Adjustments*

Description	Amount
Recognition of LWUA loan balance dated January 31, 2018	(18,600,510.38)
Closing of LWUA loan account dated December 31, 2018	(13,844,964.00)
Record accumulated arrears of LWUA Loan account	42,885,786.92
Record LWUA-NLIF	4,943,988.00
Adjustment of depreciation due to change in accounting policy	2,990,389.05
Total	(18,374,689.59)

The following errors were already adjusted in the 2018 Financial Statements.

6. CASH AND CASH EQUIVALENTS

This account consists of the following:

Account Titles	2018	2017
Cash – Collecting Officers	187,606.13	184,118.72
Cash in Bank – Local Currency, Current Account	592,128.09	888,194.31
Cash in Bank – Local Currency, Savings Account	1,742,073.14	1,146,465.26
Total Cash and Cash Equivalents	2,521,807.36	2,218,778.29

Cash – Collecting Officers pertains to available cash on hand representing cash collections on the last working day of the year. These were deposited on the next banking day.

Cash in Bank is composed of the following bank accounts with balances stated below:

Account Titles	2018	2017
Local Currency-Current Account:		
LBP (0972-1217-89)	(50,918.05)	888,194.31

Account Titles	2018	2017
LBP (0972-1293-13)	643,046.14	0.00
Total	592,128.09	888,194.31
Local Currency-Savings Account:		
LBP (0971-0789-52)	1,742,073.14	1,146,465.26

The LBP account with number 0972-1217-89 was used as the General Fund of the District. The negative balance was due to the erroneous deposit of ₱62,338.00 to the Joint Savings Account with LWUA.

The LBP Account with number 0972-1293-13 was for the retirement fund of the District.

The LBP Account with number 0971-0789-52 is a savings account for the Joint Savings Account between LWUA and the District.

7. RECEIVABLES

This account refers to dues from concessionaires for water Services rendered. Accounts receivable is recognized every month on the billing summary submitted by the Commercial Section and subsequently credited upon collection of the amounts dues.

Account Titles	2018	2017
Accounts Receivable	3,576,094.93	3,574,499.25
Allowance for Impairment - AR	0.00	0.00
Accounts Receivable – Net	3,576,094.93	3,574,499.25
Other Receivables	162,283.73	213,010.72
Allowance for Impairment-Other Receivables	(14,884.45)	(14,884.45)
Other Receivables – Net	147,399.28	198,126.27
Total Receivables	4,195,274.93	3,774,221.20

Accounts Receivable – Net represents dues from concessionaires. Accounts receivable is recognized every month based on the billing summary submitted by the Commercial Section and subsequently credited upon collection of the amount dues.

Other Receivables – Net is composed of unpaid materials, accounts without supporting documents which were destroyed by termites, disallowances and other receivables from concessionaires, broken down as follows:

Other Receivables	2018	2017
Unpaid materials	60,044.32	79,793.22
Records damaged by termites	70,580.00	70,580.00
Disallowance-Job Order	15,675.50	15,675.50

Other Receivables	2018	2017
Disallowance-GM's RATA	0.00	25,000.00
Accounts Receivables from Concessionaires	15,983.91	21,962.00
Total	162,283.73	213,010.72
Allowance for Impairment-Other Receivables	(14,884.45)	(14,884.45)
Other Receivables – Net	147,399.28	198,126.27

8. INVENTORIES

Accounts	2018	2017
	Inventories carried at lower of cost and net realizable value	Inventories carried at lower of cost and net realizable value
Inventory Held for Distribution		
Carrying Amount, January 1	457,080.16	
Additions/Acquisitions during the year	773,467.25	
Expensed during the year except write-down	(754,898.10)	
Carrying Amount, December 31	475,649.31	457,080.16
Inventory Held for Consumption		
Carrying Amount, January 1	399,798.20	
Additions/Acquisitions during the year	1,711,428.95	
Expensed during the year except write-down	(1,206,352.89)	
Carrying Amount, December 31	904,874.26	399,798.20
Semi-Expendable Medical Equipment		
Carrying Amount, January 1	2,878.00	
Additions/Acquisitions during the year	0.00	
Expensed during the year except write-down	0.00	
Carrying Amount, December 31	2,878.00	2,878.00
Semi-Expendable Furniture, Fixtures and Books		
Carrying Amount, January 1	3,860.00	
Additions/Acquisitions during the year	0.00	
Expensed during the year except write-down	0.00	
Carrying Amount, December 31	3,860.00	3,860.00
Total Carrying Amount, December 31	1,387,261.57	863,616.36

9. PREPAYMENTS

Account Titles	2018	2017
Other Prepaid Expenses	6,100.00	6,100.00
Other Prepayments	2,945.00	0.00
Total	9,045.00	6,100.00

Advance payments in the amount of ₱6,000.00 to Mr. Salanga for repair of LIWAD Service vehicle in year 2000 charged to his water bill. And the amount of ₱2,945.00 is due to unadjusted prepayment of an advance payment of initial one (1) room accommodation of GM during the PAWD Convergence in Baguio City on July 24-27, 2018 – paid to Mountain Lodge and Restaurant per disbursement voucher No. 2018-07-487 dated on July 3, 2018.

10. PROPERTY, PLANT AND EQUIPMENT

As of December 31, 2018

Accounts	Carrying Amount, Jan. 1, 2018	Additions/ Acquisitions/ Adjustments	Total	Adjustment	Depreciation (as per Statement of Comprehensive Income)	Impairment Loss (as per Statement of Comprehensive Income)	Carrying Amount, Dec. 31, 2018
Land Improvements	230,110.27	0.00	230,117.27	230,110.27	0.00	0.00	0.00
Infrastructure Assets	21,773,799.73	787,418.98	22,561,218.71	2,387,395.40	0.00	0.00	20,173,823.31
Buildings & Other Structures	4,389,373.65	0.00	4,389,373.65	518,331.87	1,548,566.09	0.00	2,322,475.69
Machinery & Equipment	4,758,278.28	380,247.04	5,138,525.32	1,127,083.57	210,601.29	0.00	3,800,840.46
Transportation Equipment	0.00	301,531.69	301,531.69	0.00	52,375.32	0.00	249,156.37
Furniture, Fixtures & Books	0.00	759,890.10	759,890.10	0.00	759,526.66	0.00	363.44
Leased Assets Improvements	0.00	230,110.27	230,110.27	0.00	70,278.00	0.00	159,832.27
Construction in Progress	0.00	7,334.50	7,334.50	0.00	0.00	0.00	7,334.50
TOTAL	31,151,561.93	2,466,532.58	33,618,094.51	4,262,921.11	2,641,347.36	0.00	26,713,826.04

Accounts	Gross Cost (Asset Account Balance per Statement of Financial Position)	Accumulated Depreciation	Accumulated Impairment Losses	Carrying Amount, Dec. 31, 2018 (as per Statement of Financial Position)
Infrastructure Assets	34,471,048.55	14,297,225.24	0.00	20,173,823.31
Buildings and Other Structures	5,631,010.87	3,308,535.18	0.00	2,322,475.69
Machinery and Equipment	7,660,794.51	3,859,954.05	0.00	3,800,840.46
Transportation Equipment	693,059.33	443,902.96	0.00	249,156.37
Furniture, Fixtures and Books	759,890.10	759,526.66	0.00	363.44
Leased Assets Improvements	295,666.03	135,833.76	0.00	159,832.27
Construction in Progress	7,334.50	0.00	0.00	7,334.50
TOTAL	49,518,803.89	22,804,977.85	0.00	26,713,826.04

As of December 31, 2017

Accounts	Carrying Amount, Jan. 1, 2017	Additions/ Acquisitions/ Adjustments	Total	Disposal	Depreciation (as per Statement of Comprehensive Income)	Impairment Loss (as per Statement of Comprehensive Income)	Carrying Amount, Dec. 31, 2017
Land Improvements	295,666.03	4,722.24	300,388.27	0.00	70,278.00	0.00	230,110.27
Infrastructure Assets	21,479,916.81	1,788,953.68	23,268,870.49	0.00	1,495,070.76	0.00	21,773,799.73
Buildings & Other Structures	3,339,876.63	1,069,932.99	4,409,809.53	0.00	20,435.88	0.00	4,389,373.65
Machinery & Equipment	3,029,551.87	2,399,979.01	5,429,530.88	0.00	671,252.6	0.00	2,257,037.24
TOTAL	28,145,011.34	5,263,587.83	33,408,599.17	0.00	2,257,037.24	0.00	31,151,561.93

Accounts	Gross Cost (Asset Account Balance per Statement of Financial Position)	Accumulated Depreciation	Accumulated Impairment Losses	Carrying Amount, Dec. 31, 2017 (as per Statement of Financial Position)
Land Improvements	295,666.03	65,555.76	0.00	230,110.27
Infrastructure Assets	36,071,024.97	14,297,225.24	0.00	21,773,799.73
Buildings and Other Structures	5,631,010.87	1,241,637.22	0.00	4,389,373.65
Machinery and Equipment	9,422,328.24	4,664,049.96	0.00	4,758,278.28
TOTAL	51,420,030.11	20,268,468.18	0.00	31,151,561.93

11. FINANCIAL LIABILITIES

11.1 Payables

Account Titles	2018		2017	
	Current	Non-Current	Current	Non-Current
Accounts Payable	21,542.78	59,313.24	274,194.13	0.00
Due to Officers And Employees	8,141.00	23,767.94	23,331.51	0.00
Interest Payable	0.00	0.00	605,295.00	0.00
Other Long-term Payables	0.00	0.00	0.00	17,995,215.38
Total	29,683.78	83,081.18	902,820.64	17,995,215.38

11.2 Bills/Bonds/Loans Payable

Account Titles	2018		2017	
	Current	Non-Current	Current	Non-Current
Loans Payables- Domestic	0.00	0.00	3,196,091.66	0.00
Other Loans Payable	0.00	47,829,774.92	0.00	14,282,880.34
Total	0.00	47,829,774.92	3,196,091.66	14,282,880.34

The Loans Payable are measured at amortized cost.

12. INTER-AGENCY PAYABLES

Account Titles	2018		2017	
	Current	Non-Current	Current	Non-Current
Due to BIR	558,150.60	0.00	438,658.76	0.00
Due to GSIS	108,130.28	0.00	117,481.43	0.00
Due to Pag-IBIG	72,087.37	0.00	(12,868.28)	0.00
Due to Philhealth	41,433.30	0.00	41,544.30	0.00
Due to SSS	11,301.74	0.00	10,175.00	0.00
Total	791,103.29	0.00	594,991.21	0.00

Due to SSS represents deductions from payroll for permanent and job order employees for their voluntary contribution.

13. TRUST LIABILITIES

Account Titles	2018	2017
Guaranty Deposits Payable	117,408.00	117,408.00

Guaranty Deposits Payable represents payable by the District to the concessionaires but cannot be accounted due to records were damages by termites.

14. DEFERRED CREDITS

Account Titles	2018	2017
Other Deferred Credits	2,081,538.67	3,122,308.00

This account represents the grant which was amortized as income according to the life of the asset for which the grant was expended. The grant was expended for the project of supply, delivery, installation, testing and commission of Modular Water Filtration Treatment Facilities (2017-2018).

15. OTHER PAYABLES

Account Titles	2018	2017
Other Payables	493,691.38	493,691.38

Other Payables represents payable to entities not classified as financial liabilities.

16. SERVICE AND BUSINESS INCOME

Account Titles	2018	2017
Service Income		
Fines and Penalties-Service Income	0.00	452,998.23
Other Service Income	232,822.03	151,159.03
Total Service Income	232,822.03	604,157.26
Business Income		
Water Works Systems Fees	19,660,229.30	16,801,464.52
Less: Sales Discounts	116,311.86	76,288.54
Net Water Works Systems Fees	19,543,917.44	16,725,175.98
Interest Income	2,026.95	1,887.75
Fines and Penalties-Business Income	594,732.91	0.00
Other Business Income	66,983.00	319,950.00
Total Business Income	20,207,660.30	17,047,013.73
TOTAL	20,440,482.33	17,651,170.99

17. SHARES, GRANTS AND DONATIONS

Account Titles	2018	2017
Income from Grants and Donations in Cash	1,040,769.33	0.00

This account represents the grant which was amortized as income according to the life of the asset for which the grant was expended.

18. OTHER NON-OPERATING INCOME

Account Titles	2018	2017
Miscellaneous Income	150,041.40	109,650.87

19. PERSONNEL SERVICES

19.1 *Salaries and Wages*

Account Titles	2018	2017
Salaries and Wages-Regular	3,795,278.00	3,476,879.92
Salaries and Wages-Casual/Contractual	746,147.04	405,311.80
Total	4,541,425.04	3,882,191.72

19.2 Other Compensation

Account Titles	2018	2017
Personnel Economic Relief Allowance (PERA)	476,000.00	418,181.60
Representation Allowance (RA)	60,000.00	60,000.00
Transportation Allowance (TA)	60,000.00	60,000.00
Clothing/Uniform Allowance	105,000.00	85,000.00
Productivity Incentives Allowance	289,624.49	282,930.11
Honoraria	494,988.08	600,035.13
Longevity Pay	-	15,000.00
Overtime and Night Pay	28,846.06	11,354.33
Year End Bonus	381,907.84	314,627.06
Cash Gift	100,000.00	90,000.00
Other Bonuses and Allowances (Mid-Year)	393,473.98	318,457.76
Total	2,389,840.45	2,225,585.99

19.3 Personnel Benefits Contributions

Account Titles	2018	2017
Retirement and Life Insurance Premiums	546,812.37	466,826.52
Pag-IBIG Contributions	23,800.00	22,309.20
PhilHEALTH Contribution	57,170.13	42,001.10
Employees Compensation Insurance	22,300.00	23,000.00
Total	650,082.50	554,136.82

19.4 Other Personnel Benefits

Account Titles	<u>2018</u>	<u>2017</u>
Other Personnel Benefits	770,041.56	136,401.35
TOTAL PERSONNEL SERVICES	<u>8,351,389.55</u>	<u>6,828,315.88</u>

20. MAINTENANCE AND OTHER OPERATING EXPENSES

20.1 Traveling Expenses

Account Titles	2018	2017
Traveling Expenses	460,849.48	505,952.94

20.2 Training Expenses

Account Titles	2018	2017
Training Expenses	505,523.59	616,852.08

20.3 Supplies and Materials Expenses

Account Titles	2018	2017
Office Supplies Expenses	82,158.40	85,694.66
Accountable Forms Expenses	71,500.00	63,590.00
Drugs and Medicines Expenses	43,200.00	5,310.00
Fuel, Oil and Lubricants Expenses	217,164.00	207,751.78
Chemical and Filtering Supplies	596,211.24	340,459.00
Total	1,010,233.64	702,805.44

20.4 Utility Expenses

Account Titles	2018	2017
Electricity Expenses	525,851.14	358,217.84

20.5 Communication Expenses

Account Titles	2018	2017
Postage and Courier Services	3,467.00	15,516.00
Telephone Expenses-Landline	64,072.94	59,047.87
Internet Subscription Expenses	23,649.00	11,988.00
Cable, Satellite and Radio Expenses	1,994.64	1,500.00
Total	93,183.58	88,051.87

20.6 Confidential, Intelligence and Extraordinary Expenses

Account Titles	2018	2017
Extraordinary and Miscellaneous	271,851.22	149,780.41

20.7 Professional Services

Account Titles	2018	2017
Legal Services	42,450.00	30,250.00
Auditing Services	87,118.15	98,345.73
Total	129,568.15	128,595.73

20.8 *General Services*

Account Titles	2018	2017
Security Services	300,000.00	286,800.00
Other General Services	557,908.54	641,526.87
Total	857,908.54	928,326.87

20.9 *Repairs and Maintenance*

Account Titles	2018	2017
R&M-Plant-Infrastructure Assets	884,589.98	491,190.48
R&M-Machinery & Equipment	66,500.00	113,610.00
R&M-Transportation Equipment	208,230.50	175,984.00
R&M-Furniture & Fixture	4,098.00	2,650.00
R&M-Semi-Expendable Furniture, Fixtures & Books	23,328.00	27,661.64
R&M-Other Property, Plant & Equipment	52,584.65	0.00
Total	1,239,331.13	811,096.12

20.10 *Taxes, Insurance Premiums and Other Fees*

Account Titles	2018	2017
Taxes, Duties and Licenses	393,204.59	336,662.33
Fidelity Bond Premiums	20,550.00	20,250.00
Insurance Expenses	20,653.01	20,179.20
Total	434,407.60	377,091.33

20.11 *Other Maintenance and Operating Expenses*

Account Titles	2018	2017
Advertising, Promotional & Marketing Expenses	5,000.00	30,375.00
Survey Expenses	22,600.00	0.00
Printing and Publication Expenses	50,000.00	86,880.00
Representation Expenses	101,473.56	93,063.40
Rent/Lease Expenses	254,341.44	124,800.00
Membership Dues & Contributions to Organizations	12,649.50	11,983.75
Donations	24,100.00	1,500.00
Other Maintenance & Operating Expenses	239,705.78	436,054.69
Total	717,788.28	789,452.84

TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>6,246,496.35</u>	<u>5,456,223.67</u>
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21. FINANCIAL EXPENSES

Account Titles	2018	2017
Interest Expenses	260.76	674,214.56
Bank Charges	200.00	100.00
Other Financial Charges	800.00	987.50
Total	1,260.76	675,302.06

22. NON-CASH EXPENSES

Account Titles	2018	2017
Depreciation-Buildings and Other Structures	1,548,566.09	1,515,506.64
Depreciation-Machinery and Equipment	210,601.29	154,080.37
Depreciation-Transportation Equipment	52,375.32	46,351.48
Depreciation-Furniture, Fixtures and Books	759,526.66	470,820.75
Depreciation-Leased Assets Improvements	70,278.00	70,278.00
Total	2,641,347.36	2,257,037.24

23. RELATED PARTY TRANSACTIONS

23.1 Key Management Personnel

The key management personnel of the District are the General Manager and the members of the Board. The governing body consists of members appointed by the Mayor of Lianga, Surigao del Sur and reviewed and confirmed by LWUA.

23.2 Key Management Personnel Compensation

The aggregate remuneration of members of the governing body and the number of members determined on a fulltime equivalent basis receiving remuneration within this category are:

Particulars	Aggregate Remuneration
Salaries and Wages	976,128.00
Other Compensation	324,688.00
Personnel Benefits Contribution	124,935.36
Other Personnel Benefits	268,284.51
Director's & Committee Members' Fees	148,262.40
Total	1,842,298.27